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## GOVERNOR PATRICK SIGNS ECONOMIC DEVELOPMENT BILL EXPANDING JOB CREATION THROUGH INNOVATION AND INFRASTRUCTURE INVESTMENTS

### Sets the weekend of August 11 - 12 as a Sales Tax Holiday

BOSTON - Tuesday, August 7, 2012 - Governor Deval Patrick today signed, "An Act Relative to Infrastructure Investment, Enhanced Competitiveness and Economic Growth in the Commonwealth." The legislation will increase economic development and create jobs in the Commonwealth's key sectors of innovation and infrastructure.

"Jobs are our top priority, and creating the right environment for job growth means improving our infrastructure, preparing our workers, and encouraging industrial and commercial innovation," said Governor Patrick. "That's why Massachusetts is recovering faster than the nation, and why this bill matters."

"Our Administration is committed to providing municipalities as well as the business community with tools to foster economic development," said Lieutenant Governor Timothy Murray. "By focusing on innovation and infrastructure through this legislation, we are strengthening existing resources and delivering new solutions that will support job creation, public and private investment, and long-term sustainability and economic growth across Massachusetts."

The legislation also sets the weekend of August 11-12 as a sales tax holiday to increase business for the Commonwealth's retailers. For those two days, the sales tax is exempted from most items, but the holiday does not include restaurant meals, tobacco and single items that cost more than \$2,500.

Massachusetts has recovered from the recession faster and stronger than the nation as a whole, with an unemployment rate of 6 percent compared to the national average of 8.3 percent and the economy growing at 4 percent increases in the first two quarters of 2012 compared to national growth of 1.5 percent in the first quarter and 2 percent in the second quarter. The initiatives in the legislation signed by the Governor Tuesday reflect the priorities the Patrick-Murray Administration laid out in "Choosing to Compete in the 21<sup>st</sup> Century," the Commonwealth's long-term economic development plan.

"Though Massachusetts possesses a competitive economy fueled by fast-growing core industries, the targeted investments included in this bill are necessary to ensure lasting economic stability and strength," said Senator Gale Candaras, Senate Chairwoman of the Joint Committee on Economic Development and Emerging Technologies. "By enhancing workforce development, providing support to small businesses, and encouraging research and development, this legislation will hopefully stimulate job growth and economic development in the Commonwealth, leading to a prosperous, sound economic future."

"Improving the business climate and promoting job creation were among the House's top priorities this session, and this legislation moves Massachusetts forward on both fronts," said Representative Joseph F. Wagner, House Chairman of the Joint Committee on Economic Development and Emerging Technologies. "It makes the Commonwealth a more appealing place to grow a business and strengthens key industries like precision manufacturing and the Innovation economy through new initiatives. Also, by investing in effective training programs, it prepares workers to take full advantage of tomorrow's opportunities."

The economic development plan includes expansion of the state's world-class innovation economy, and the legislation includes a number of initiatives supporting the sector, including \$50 million for a Scientific and Technology Research and Development Matching Fund. The fund will support collaborative research and development projects among businesses and universities, building off the example of the Massachusetts Green High Performance Computing Center in Holyoke, which is expected to be completed this fall.

The legislation also creates a \$1 million talent pipeline through the Massachusetts Technology Collaborative that will provide matching grants aimed at increasing technology sector internships, and another \$1 million to support mentoring, advice, incubator

space and accelerator programs similar to MassChallenge.

In the area of workforce training and education, the legislation includes \$5 million for the Workforce Competitiveness Trust Fund, which prepares Massachusetts residents for new jobs in high-demand occupations and which helps to close the middle-skills gap and create seamless pathways to employment.

The legislation codifies the Patrick-Murray Administration's MassWorks program, bringing together a number of existing public infrastructure support programs under one umbrella. MassWorks and its associated programs have supported nearly 100 projects around the state and are designed to support infrastructure projects that include a private investment component or enhance economic development opportunities in a community. By unifying the programs in MassWorks, the Administration provides innovative solutions for infrastructure investments that allows faster decision-making, organizes regional priorities and establishes accountability to support local priorities.

Further, the legislation supports the Patrick-Murray Administration's goals of improving housing affordability to support the state's workforce. The bill provides \$4 million for the state's Smart Growth Housing Trust Fund, extends the life of permits issued between 2008 and 2010 for another two years, and provides for four specific MassDEP regulatory reforms to streamline approvals.

In March 2012, Governor Patrick announced the Administration had embarked on the most comprehensive regulatory review process in over a decade, focusing on reviewing over 1,000 regulations with the goal of amending or deleting at least 250 regulations in an effort to streamline government and make doing business in Massachusetts easier. The legislation signed today by the Governor establishes the position of state regulatory ombudsman to address regulatory matters of interest to the business and development community, and approves four targeted Department of Environmental Protection reforms to expedite permitting and ease regulatory burdens.

The legislation also:

- Creates a one-stop web portal for small businesses through the Massachusetts Office of Business Development;
- Creates the Advanced Manufacturing Futures Program at MassDevelopment to raise the profile of advanced manufacturing by encouraging young people to enter the sector and facilitating the adoption of local innovations into small and mid-sized companies;
- Doubles the Pension Reserves Investment Management Board cap on investments in financial institutions that prioritize small-business lender from \$50 million to \$100 million;
- Empowers regions to increase economic opportunities through increasing flexibility in the 43D expedited permitting program, streamlining the District Improvement Financing Program, and creating a Local Infrastructure Development Zone Program;
- Enhances the I-Cubed program to provide innovative financing mechanisms for infrastructure investments that would allow faster decision-making and execution, and more local control.

Along with signing the bill, Governor Patrick also included a number of vetoes that strike provisions that would create unaffordable tax benefits that are inconsistent with the recommendations of the Tax Expenditure Commission. Included in those vetoes are an extension of the Brownfields Tax Credit from 2013 to 2015 that would cost \$27.8 million a year without adequate analysis. The Brownfields credit will continue to be available for another year, and the Administration will analyze its effectiveness and make an appropriate recommendation before its August 5, 2013 expiration. Other vetoes were an increase in the Historic Preservation Tax Credit from \$50 million to \$60 million without an analysis of the programs' effectiveness, a proposal to provide a \$456 tax credit for a new corporation for three years which would cost up to \$7 million in Fiscal Year 2014 and up to \$19 million in 2015, and a restructuring of corporate tax payments that would incur a one-time cost of \$191 million. The Governor also vetoed language amending the definition of a Gateway City, in order to preserve the limited funding available for targeted communities.

SUPPORTER QUOTES:

"We have been able to nurture a steady recovery and we are in a position where we can take on new challenges and expand our economy further. We have a long-term plan that will bring economic development and job creation to every corner of the Commonwealth and the legislation signed by Governor Patrick is a strong endorsement of that plan and its mission."

-Greg Bialecki, Secretary of Housing and Economic Development.

"Recapitalizing the Workforce Competitiveness Trust Fund allows us to train individuals for a changing economy. This bill reaffirms the Administration's commitment to building out programs that meet the immediate and emerging needs of our businesses. We will continue to help workers upgrade their skills and create new partnerships and programs that have lasting value."

-Joanne F. Goldstein, Secretary of Labor and Workforce Development.

"This bill will open the door to more scientific research and discovery in Massachusetts and in so doing, will lead to job creation

and increased growth in the Innovation Economy of the Commonwealth. Research conducted today leads to tomorrow's inventions and new products and solves the problems of the future. We want to make sure that this work is taking place in Massachusetts and is strengthening our economic future and our quality of life. Governor Patrick, Senate President Murray, Speaker DeLeo and the members of the Legislature who supported this measure are to be commended for their vision and leadership, and for making an investment that will pay significant scientific and economic dividends."

-Robert L. Caret, President of the University of Massachusetts

"As an appointee of the Governor's STEM Advisory Council, an executive committee member of the Advanced Manufacturing Collaborative and a business owner of AccuRounds, a contract manufacturer of precision machined components, I am very excited about Governor Patrick signing this jobs bill. The funds committed to workforce training and education, and the focus on manufacturing and economic development will benefit people across the state. People entering the job market, displaced workers as well as the actively employed will find opportunity through the enactment of this bill. Thanks to Governor Patrick for helping to make the future look bright for Massachusetts."

-Michael Tamasi, President and CEO, AccuRounds

"This bill is the result of a close collaborative effort by the House, Senate, Governor's economic team, and the business community. Although the Commonwealth has fared better than most of the country, this wide-ranging bill creates a welcoming environment for innovation and growth. Combined with the ongoing, system-wide regulatory review process, Massachusetts continues to be attractive for business expansion."

-David Begelfer, Chief Executive Officer, NAIOP Massachusetts

"The advanced manufacturing industry in Massachusetts has found momentum in the recovery, and the law signed by Governor Patrick includes support for the Advanced Manufacturing Collaborative that will continue and increase that momentum. Thanks to the Patrick-Murray Administration for its great support of the manufacturing sector and for a piece of legislation that will further improve an economic development environment for all businesses in Massachusetts."

-Mitch Tyson, Principal, Tyson Associates; Co-Chair of the Advanced Manufacturing Collaborative

"The Manufacturing Futures Fund will position the Advanced Manufacturing Collaborative to implement its strategic priorities to enable small and medium-sized precision manufacturing companies to grow by promoting advanced manufacturing as a critical industry sector, accelerate technology innovation, assist companies in identifying new and emerging markets, and support programs to prepare the future workforce."

-Ed Leyden, President, Ben Franklin Design and Manufacturing, Inc., Co-Chair of the Advanced Manufacturing Collaborative

"Housing has always led our nation and Commonwealth out of recession, and thanks to the support of Governor Patrick and the Legislature, it will do so again. This bill will help us put our people back to work building the homes young families need and can afford."

-Michael McDowell, President, Home Builders Association of Massachusetts

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